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Dear Mr. Pollard,

I ask that you reject the proposed guidance, for the following reasons:

1. Despite widespread use of transfer fees for decades, there is no evidence that consumers or lenders have been harmed by transfer fees;
2. Passing the guidance will negatively impact millions of homeowners, who will find their property ineligible for low-cost financing.
3. Transfer fees are easily identifiable on a title commitment so anyone buying property is aware of the transfer fee before they acquire their property and can make the decision to choose another property if they do not want to pay a transfer fee. No one is forced to pay transfer fees;
4. Developers historically have used capital recovery fees to pay for infrastructure costs and cities and counties have used “improvement bonds” or “special assessments” to collect the cost of infrastructure from property owners. There is nothing unfair or inequitable about these practices. Transfer fees are another vehicle or tool for accomplishing the same thing in the private market. It transfers the risk from the public sector to the private sector;
5. Allowing the use of transfer fees will benefit homeowners by reducing their upfront costs. A developer will sell the future income stream from the transfer fees, and use the proceeds to pay off existing bank loans, start new or restart existing projects and create jobs;
6. HOAs use transfer fees to lower quarterly dues. Non-profits use the income to provide important community benefits;
7. These existing fees are embedded within deed restrictions, and cannot, in most cases, be easily removed, if they can be removed at all. Some fees (to charity) run in perpetuity;
8. If the issue is protecting Fannie and Freddie, there is no basis for eliminating the use by subdivision developers. Lender liability bears no relationship to the ultimate use of the fee;

Sincerely,

Allan L. Brandt
Manager